

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 104 – HB 1002

March 20, 2021

SUMMARY OF BILL: Requires, by January 1, 2022, the Department of Human Services (DHS) to increase the monthly allotment of temporary cash assistance awarded to each recipient in the Families First program to \$380.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – An increase in federal Temporary Assistance for Needy Families (TANF) expenditures for the Department of Human Services (DHS) of \$47,626,000 in FY21-22 and \$95,251,900 in FY22-23 and subsequent years. While these expenditures can currently be absorbed within the DHS’s existing TANF block grant, to the extent the annual benefit amounts increase to levels exceeding the annual funding amount, or other legislation is enacted that utilizes such funding or reserves, DHS will experience an increase in state expenditures. The extent and timing of any additional fiscal impact to DHS, if any, cannot be reasonably determined.

Assumptions:

- DHS administers Families First, the state’s Temporary Assistance for Needy Families (TANF) program to assist eligible families in need through temporary cash assistance, transportation, child care assistance, educational supports, job training, employment activities, and other support services, in order to help those families gain self-sufficiency through employment.
- Based on information provided by DHS, the current annualized projected expenditures for temporary cash assistance for FY20-21 is \$51,744,240.
- The average number of individual monthly recipients of temporary cash assistance thus far in FY20-21 is 32,236.
- The total annual cost to provide TANF recipients \$380 per month is estimated to be \$146,996,160 [(32,236 x \$380) x 12].
- Increasing the monthly temporary cash assistance to \$380 per month will result in a recurring increase in federal TANF expenditures estimated to be \$95,251,920 (\$146,996,160 - \$51,744,240).
- It is assumed that the increase will be implemented on January 1, 2022; therefore, the increase in federal TANF expenditures is estimated to be \$47,625,960 (\$95,251,920 x 50.0%) in FY21-22 and \$95,251,920 in FY22-23 and subsequent years.

- The recurring annual amount the state receives from the federal government per the TANF block grant is approximately \$191,000,000. Additionally, DHS has the authority to draw from TANF reserve funds. As of September 30, 2020, the balance of the TANF reserve funds, was approximately \$735,800,000.
- Passage of the proposed legislation will increase federal TANF expenditures for the DHS. While these recurring expenditures can currently be absorbed within DHS's existing block grant, to the extent the annual benefits increase to levels exceeding the annual block grant amount, or other legislation is enacted that utilizes such funding and reserves, the DHS will experience an increase in state expenditures to meet the requirements of this legislation. The extent and timing of any additional fiscal impact to the DHS, if any, are unknown and cannot be reasonably determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jj